

UNITY OF FAIRFAX Treasurer's Report

August 19, 2022

TO: Board of Trustees

FROM: Dave Richardson, Treasurer

SUBJECT: Current financial status and issues

This report covers July financial performance and cash management status.

Current Financials: Three metrics. July financials are appended.

- Love offerings. July love offerings were **35K** versus the regular monthly goal of 50K. Year-to-date love offerings of 261K are 25% below 350K target.
- Operating profit/loss. July showed a net operating **loss of 11K** versus a budgeted monthly loss of 2K. Short term rentals of nearly 4K improved total income for the month. Expenses remain under budget. Year-to-date operating loss is 91K versus a budgeted operating loss of 16K.
- Operating Cash. Operating cash of **31K** (10K in ministry fund and 2K operating reserves). The July-authorized transfer of 10K from capital reserves has not occurred yet so capital reserve remains 40K. July cash use was 19K; ytd 54K.

Cash management. As noted last month, the 66th birthday fundraiser starting in August is targeted to restore love offerings to at least break even levels in August and September. Final quarter donations are expected to rise as they typically do, but 2023 planning will take cash contingencies into account.

Mildred Park Endowment. Based on the required annual review, the following motion proposes changes to the UFF Investment Policy and Guidelines.

Motion 1: The UFF Investment Policy and Guidelines are modified as noted in the referenced revised version of those guidelines. Key revisions:

- Mildred Park Endowment Fund designated as primary investment account for UFF.
- Minimum endowment target revised from \$1 MM to \$100,000.
- Annual withdrawal amounts clarified and modified to 10% of total endowment value or 75% of prior year's investment gains, whichever is larger. Amounts require board approval.
- Authorized investment vehicles updated as specified.

Assuming motion 1 passes:

Motion 2: The board authorizes transfer of \$10,000 as an initial phase of 2022 transfers from Mildred Park Endowment Fund to UFF Operating Cash account.

Mildred Park Center. Initial work on Montessori-funded building modifications is underway with asbestos remediation.

2023 Budget. Planning will begin in September for 2023 budget.

Unity of Fairfax
Statement of Financial Position
As of July 31, 2022

| | JULY 2022 | DEC 2021 | Change |
|-------------------------------------|------------------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Unrestricted cash | 10,179 | 28,142 | (17,963) |
| Reserve Cash | | | |
| Security Deposits | 25,117 | 25,005 | 112 |
| Capital Reserve | 39,853 | 68,695 | (28,842) |
| Operating Reserve | 2,424 | 27,735 | (25,311) |
| Restricted Cash | | | |
| Benevolence Fund | 3,584 | 3,954 | (370) |
| Capital Improvements | 100 | 100 | - |
| Sacred Grounds | 4,008 | 4,008 | (0) |
| Vision 2020 | - | - | - |
| Total Bank Accounts | 85,265 | 157,640 | (72,375) |
| Other Current Assets | 13,271 | 12,706 | 565 |
| Total Current Assets | 98,536 | 170,345 | (71,810) |
| Fixed Assets | | | |
| Land | 419,328 | 419,328 | - |
| Building and Grounds | 4,246,627 | 4,227,741 | 18,886 |
| Equipment | 75,524 | 75,524 | - |
| Furniture, Fixtures, Software | 181,270 | 181,270 | - |
| Accumulated Depreciation | (2,252,260) | (2,175,137) | (77,124) |
| Construction In Progress | - | - | - |
| Total Fixed Assets | 2,670,489 | 2,728,727 | (58,238) |
| Mildred Park Endowment Fund | 121,137 | 146,918 | (25,781) |
| TOTAL ASSETS | 2,890,162 | 3,045,990 | (155,828) |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Total Current Liabilities | 14,722 | 9,165 | 5,558 |
| Long-Term Liabilities | | | |
| Hunter Mill Montessori Escrow | 25,000 | 25,000 | - |
| Pinnacle Academy Escrow | - | - | - |
| Mortgage Payable | 1,133,365 | 1,201,713 | (68,347) |
| Note Payable - SBA PPP Loan | - | - | - |
| Note Payable - Energy Loan | - | - | - |
| Total Long-Term Liabilities | 1,158,365 | 1,226,713 | (68,347) |
| Total Liabilities | 1,173,087 | 1,235,877 | (62,790) |
| Equity | | | |
| Net Assets | 1,768,982 | 1,776,733 | (7,751) |
| Unrealized Gain/Loss on Investments | 15,476 | 41,131 | (25,655) |
| Net Income | (67,383) | (7,751) | (59,632) |
| Total Equity | 1,717,075 | 1,810,113 | (93,038) |
| TOTAL LIABILITIES AND EQUITY | 2,890,162 | 3,045,990 | (155,828) |

Unity of Fairfax
Statement of Cash Flows - Ministry
July 2022

| | Total |
|--|-----------------|
| OPERATING ACTIVITIES | |
| Net Revenue | (91,472) |
| Adjustments to reconcile Net Revenue to Net Cash provided by operations: | |
| Bank Transfer (from Capital Reserves) * | 10,000 |
| Bank Transfer (from Operating Reserves) ** | 20,000 |
| Accounts Payable | 5,171 |
| United VISA | 1,952 |
| Payroll Taxes Payable | 2,199 |
| Stripe Deposits Pending | (1,630) |
| Accrued Tithes | 3,148 |
| Deferred Revenue | (795) |
| Total Adjustments to reconcile Net Revenue to Net Cash provided by operations: | 40,044 |
| Net cash provided by operating activities | (51,428) |
| INVESTING ACTIVITIES | |
| Fixed Assets: Accumulated Depreciation | 77,124 |
| Fixed Assets: Additions | |
| Transfers to Operating Reserves | 24,689 |
| Net cash provided by investing activities | 101,813 |
| FINANCING ACTIVITIES | |
| Mortgage Payable | (68,347) |
| Net cash provided by financing activities | (68,347) |
| Net cash increase for period | (17,962) |
| Cash at beginning of period | 28,142 |
| Cash at end of period | 10,179 |

* transferred June 2022

** transferred April 2022 & July 2022

**Unity of Fairfax
Statement of Activity by Fund
YTD JULY 2022**

| | Ministry Fund | Capital Reserve | Operating Reserve | Security Reserve | Total UnRestricted | Benevolence Fund | Capital Improvement | MP Endowment Fund | Sacred Grounds | Vision 2020 | Total Restricted | TOTAL |
|-------------------------------|-----------------|-----------------|-------------------|------------------|--------------------|------------------|---------------------|-------------------|----------------|-------------|------------------|-----------------|
| | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| LOVE OFFERING INCOME ** | 260,710 | | | | 260,710 | 375 | - | - | - | - | 375 | 261,085 |
| EPS INCOME | 3,184 | | | | 3,184 | | | | | | | 3,184 |
| FUNDRAISING INCOME | 2,170 | | | | 2,170 | | | | | | | 2,170 |
| SHORT TERM RENTAL INCOME | 6,745 | | | | 6,745 | | | | | | | 6,745 |
| LONG TERM RENTAL INCOME | 74,000 | | | | 74,000 | | | | | | | 74,000 |
| BOOKSTORE SALES | - | | | | - | | | | | | | - |
| GRANT INCOME * | - | | | | - | | | | | | | - |
| OTHER INCOME | 1,493 | 44 | - | 12 | 1,548 | | | | | | | 1,548 |
| Total Income | 348,302 | 44 | - | 12 | 348,357 | 375 | - | - | - | - | 375 | 348,732 |
| Expenses | | | | | | | | | | | | |
| COMPENSATION & BENEFITS | 208,778 | | | | 208,778 | | | | | | | 208,778 |
| OCCUPANCY EXPENSE | 138,317 | | | | 138,317 | | | | | | | 138,317 |
| GENERAL & ADMINISTRATIVE | 25,114 | | | | 25,114 | 1,350 | | | | | 1,350 | 26,464 |
| EPS WORKSHOPS | 397 | | | | 397 | | | | | | | 397 |
| EVENTS | 300 | | | | 300 | | | | | | | 300 |
| MINISTRIES EXPENSE | 7,044 | | | | 7,044 | | | | | | | 7,044 |
| OUTGOING TITHES | 34,816 | | | | 34,816 | | | | | | | 34,816 |
| ALLOCATIONS TO INTERNAL FUNDS | 25,008 | - | (24,689) | | 319 | (319) | | | | | (319) | - |
| Total Expenses | 439,774 | - | (24,689) | - | 415,085 | 1,031 | - | - | - | - | 1,031 | 416,116 |
| Net Income * | (91,472) | 44 | 24,689 | 12 | (66,728) | (656) | - | - | - | - | (656) | (67,383) |

Unity of Fairfax
Budget vs. Actuals: Ministry Fund
July 31, 2022

| | MTH Actual | MTH Budget | MTH Variance | YTD Actual | YTD Budget | YTD Variance | Annual 2022 Draft Budget |
|---------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|---------------------|--------------------------------|
| Income | | | | | | | |
| LOVE OFFERING INCOME | \$ 34,582 | \$ 50,000 | \$ (15,418) | \$ 260,710 | \$ 350,000 | \$ (89,290) | \$ 600,000 |
| EPS INCOME | 100 | 1,667 | (1,567) | 3,184 | 11,667 | (8,483) | 20,000 |
| FUNDRAISING INCOME | - | 1,667 | (1,667) | 2,170 | 11,667 | (9,497) | 20,000 |
| SHORT TERM RENTAL | 3,930 | 340 | 3,590 | 6,745 | 2,380 | 4,365 | 4,080 |
| LONG TERM RENTAL | 10,750 | 10,646 | 104 | 74,000 | 74,521 | (521) | 127,750 |
| BOOKSTORE SALES | - | 333 | (333) | - | 2,333 | (2,333) | 4,000 |
| GRANT INCOME * | - | - | - | - | - | - | - |
| OTHER INCOME | 1 | 191 | (190) | 1,494 | 1,336 | 158 | 2,290 |
| Total Income | \$ 49,363 | \$ 64,843 | \$ (15,480) | \$ 348,302 | \$ 453,903 | \$ (105,601) | \$ 778,120 |
| Expenses | | | | | | | |
| COMPENSATION & BENEFITS | 28,312 | 29,571 | (1,259) | 208,778 | 206,996 | 1,782 | 354,850 |
| OCCUPANCY EXPENSE | 19,466 | 21,233 | (1,767) | 138,317 | 148,633 | (10,316) | 254,800 |
| GENERAL & ADMINISTRATIVE | 3,202 | 4,185 | (983) | 25,114 | 29,295 | (4,181) | 50,220 |
| EPS WORKSHOPS | 300 | 83 | 217 | 697 | 583 | 114 | 1,000 |
| FUNDRAISING EXPENSE | - | - | - | - | - | - | - |
| MINISTRIES EXPENSE | | | | | | | |
| Total Worship Ministry | 724 | 567 | 158 | 4,069 | 3,967 | 102 | 6,800 |
| Total Music Ministry | 108 | 258 | (150) | 1,831 | 1,808 | 23 | 3,100 |
| Total Youth Ministry | 180 | 200 | (20) | 1,144 | 1,400 | (256) | 2,400 |
| Total Bookstore Expenses | - | 200 | (200) | - | 1,400 | (1,400) | 2,400 |
| Total Earthcare Ministry | - | 400 | (400) | - | 2,800 | (2,800) | 4,800 |
| Total Miscellaneous Ministries | - | 200 | (200) | - | 1,400 | (1,400) | 2,400 |
| Total MINISTRIES EXPENSE | 1,012 | 1,825 | (813) | 7,044 | 12,775 | (5,731) | 21,900 |
| TITHES | 4,936 | 6,484 | (1,548) | 34,816 | 45,390 | (10,574) | 77,812 |
| FUNDS | | | | | | | |
| Transfer to Capital Reserves | - | - | - | - | - | - | - |
| Transfer to Operating Reserves | 3,527 | 3,527 | - | 24,689 | 24,689 | - | 42,324 |
| Transfer to Benevolence | 10 | 167 | (157) | 319 | 1,167 | (848) | 2,000 |
| ALLOCATION TO INTERNAL | 3,537 | 3,694 | (157) | 25,008 | 25,856 | (848) | 44,324 |
| Total Expenses | \$ 60,766 | \$ 67,076 | \$ (6,310) | \$ 439,774 | \$ 469,529 | \$ (29,755) | \$ 804,906 |
| Net Income * | \$ (11,403) | \$ (2,232) | \$ (9,171) | \$ (91,472) | \$ (15,625) | \$ (75,847) | \$ (26,786) |

Notes to the Statement Of Activity: